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## **LINKING VALUE CO-CREATION AND ORGANIZATIONAL ABSORPTIVE CAPACITY: THEORETICAL STUDY AND CONCEPTUAL MODEL**

### **Abstract:**

Scientific literature on marketing and innovation management has a long-standing tradition of involving customers into organizational processes. In the traditional value creation process, organizations tried to manage the knowledge gap on consumer needs by engaging market research tools. However, SD-logic and co-creation put the organization in control of value co-creation, and the external stakeholders (customers, suppliers, partners, etc.) are invited to join this process as co-creators. Hardly any organization can ignore external input into development of new and existing products and the need of constant ideas flow while competing through added-value factors like fast product development, fascinating design, experiences, and new never-seen technologies. Even though empowerment of customers is often highlighted, but high volume of research shows lack of understanding of how to manage this process. Insights and data can come from different external sources but it is important to have qualified people and appropriate organizational structure ability to recognize the value of external knowledge sources, digest it, and apply it to commercial ends. Such organizational capability of organization is defined as absorptive capacity. There is an apparent need for broader theoretical research as well as the necessity for interdisciplinary discussions between scholars of related fields of 'value co-creation' and 'absorptive capacity' in order to get a better understanding of the subject and development of unified model. Such research could provide insights on how value creation on the external interaction level can be systemized and to come to a better understanding of management tools aiming on the development of absorptive capacity.

### **Keywords:**

co-creation, absorption capacity, collectively created knowledge

**JEL Classification:** M00, M31